

Effective 5/10/2016

31A-35-404 Minimum financial requirements for bail bond agency license.

- (1)
 - (a) A bail bond agency that pledges the assets of a letter of credit from a Utah depository institution in connection with a judicial proceeding shall maintain an irrevocable letter of credit with a minimum face value of \$300,000 assigned to the state from a Utah depository institution.
 - (b) Notwithstanding Subsection (1)(a), a bail bond agency described in Subsection (1)(a) that is licensed under this chapter as of December 31, 1999, shall maintain an irrevocable letter of credit with a minimum face value of \$250,000 assigned to the state from a Utah depository institution.
- (2)
 - (a) A bail bond agency that pledges personal or real property, or both, as security for a bail bond in connection with a judicial proceeding shall maintain:
 - (i)
 - (A) a financial statement for the current year:
 - (I) reviewed by a certified public accountant; and
 - (II) showing a net worth of at least \$300,000, at least \$100,000 of which is in liquid assets;
 - or
 - (B) notwithstanding Subsection (2)(a)(i), if the bail bond agency is licensed under this chapter as of December 31, 1999, a current financial statement:
 - (I) reviewed by a certified public accountant; and
 - (II) showing a net worth of at least \$250,000, at least \$50,000 of which is in liquid assets;
 - (ii) a copy of the applicant's federal and state income tax returns for the preceding two years, but only for an original application; and
 - (iii) for each parcel of real property owned by the applicant and included in net worth calculations:
 - (A) a title letter or report, or a current abstract of title from the office of the county recorder; and
 - (B)
 - (I) a certified appraisal made not more than six months prior to licensure for each parcel and a title report that is current as of the date of licensure, if the bail bond agency is in its first year of licensure and has pledged real property owned by the applicant; or
 - (II) a certified appraisal report or a current tax notice and a title letter or report, or a current abstract of title from the county recorder if the bail bond agency is in its second or subsequent year of licensure and has pledged real property owned by the applicant.
 - (b) For purposes of this Subsection (2), only real or personal property located in Utah may be included in the net worth of the bail bond agency.
- (3) A bail bond agency shall maintain a qualifying power of attorney issued by a surety insurer if:
 - (a) the bail bond agency is the agent of the surety insurer; and
 - (b) the surety insurer:
 - (i) sells bail bonds;
 - (ii) is in good standing in its state of domicile; and
 - (iii) is granted a certificate to write bail bonds in Utah.
- (4) The commissioner may revoke the license of a bail bond agency that fails to maintain the minimum financial requirements required under this section.
- (5) The commissioner may set by rule the limits on the aggregate amounts of bail bonds issued by a bail bond agency.

Amended by Chapter 234, 2016 General Session